Recommendations of Fifth Pay Commission for Pensioners

*308. SHRI KARNENDU BHATTACHARJEE : Will the Minister of FINANCE be pleased to state :

(a) the number of recommendations made by the Fifth Pay Commission with regard to the Central Government pensioners together with the details thereof;

(b) the number of recommendations together with the details thereof rejected by the Central Government; and

(c) what are the reasons for rejection ?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI BALASAHEB VIKHE PATIL) : (a) to (c) Major recommendations of the Fifth Central Pay Commission regarding pensionary benefits of retired civilian Central Government employees numbering 11 are summarised below :—

1. Payment of Pension @ 67% of the last pay drawn. This was to be met to the extent of 50% through the normal scheme of Pension to be funded by Government with the balance 17% being made by contributions from the employees to a Pension Fund.
2. Additional Pension @ 0.5% of emoluments for each completed six monthly period of service or 1% for each additional year of service beyond 33 years.
3. Removal of ceilings on Pension/Family Pension and Gratuities.
4. Payment of Gratuity on the basis of Pay and DA on the date of retirement.
5. Payment of Family Pension at a uniform rate of 30% of pay. Minimum Family Pension to be Rs. 1220.
6. 100% neutralisation of cost of living through Dearness Relief and extension of this to employed family pensioners also.
7. Raising of the limit of commutation of Pension for civilian employees from 33.1/3% to 40%. Commuted portion to be restored after 12 years, instead of 15 years as at present.
8. Grant of absolute parity between pre and post 1-1-1986 pensioners and modified parity for pre and post 1-1-1996 pensioners.
9. Grant of minimum pension of 50% of the minimum pay of the post held at the time of retirement as revised from time to time.

10. Payment of a fixed medical allowance of Rs. 100 per month for pensioners residing in areas not covered by CGHS.

11. Computation of pensionary benefits with reference to the average emoluments during the last 6 months of service.

Five recommendations of the Fifth Central Pay Commission have, so far, been rejected by the Government taking into account the existing pension formula, legal and financial implications, etc. Relevant details in respect of the recommendations are as under :—

1. **Restoration of commuted portion of pension after 12 years instead of the existing period of 15 years.**

The pay commission had recommended that the period of restoration of commutation of pension needs to be reduced from 15 years to 12 years. This recommendation was examined and not accepted taking into account all relevant factors and the financial implications thereof.

2. **Grant of additional pension at the rate of 0.5% of emoluments for each completed six monthly period of service or 1% for each additional year of service in excess of 33 years.**

This recommendation could not be accepted as any departure from the present pension formula would have attracted the Supreme Court Judgement delivered in D.S. Nakra's case and its implementation had significant financial implications of a recurring nature. Besides, implementation of this recommendation would have been difficult on account of non-availability of records and would also have created two classes of pensioners within the same homogenous group.

3. **Calculation of pension on average emoluments for six months.**

This recommendation was rejected as acceptance there of would have meant changing the existing pension formula without any concomitant benefits.

4. **Interest on delayed payment of pension.**

This recommendation could not be accepted as no interest is payable even in the case of delayed payment of pay and allowances.

5. **Standing Committee of Voluntary Organisations to have the same machinery for implementation of decisions as in the case of JCM including that of Reference of Board of Arbitration.**

Taking various factors into account the Government has not been able to accept this recommendation.